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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12/29/08

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ARTICLES:

- (1) Poll on Aso cabinet, political parties

NIKKEI (Page 2) (Full)
December 29, 2008

Questions & Answers
(Figures shown in percentage. Parentheses denote findings from the
last survey conducted in November.)

Q: Do you support the Aso cabinet?

Yes 21 (31)

No 73 (62)

Can't say (C/S) + don't know (D/K) 6 (7)

Q: Which political party do you support or like?

Liberal Democratic Party (LDP) 35 (39)

Democratic Party of Japan (DPJ or Minshuto) 33 (30)

New Komeito (NK) 4 (5)

Japanese Communist Party (JCP) 5 (3)

Social Democratic Party (SDP or Shaminto) 2 (1)

People's New Party (PNP or Kokumin Shinto) 0 (0)

Reform Club (RC or Kaikaku Kurabu) 0 (0)

New Party Nippon (NPN or Shinto Nippon) 1 (0)

Other political parties 1 (0)

None 16 (15)

C/S+D/K 4 (6)

(Note) The total percentage does not become 100 PERCENT in some cases due to rounding

Polling methodology: The survey was taken Dec. 26-28 by Nikkei Research Inc. over the telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,416 households with one or more eligible voters were sampled, and answers were obtained from 922 persons (65.1 PERCENT).

(2) Fiscal 2009 budget bill lacks philosophy

MAINICHI (Page 2) (Full)

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December 25, 2008

The government adopted its fiscal 2009 initial budget bill at a cabinet meeting yesterday, but the bill sidesteps such key issues as the fiscal resources that will be needed for pension, medical, nursing and other social security payments, and it ducks highway-related budgetary reform. An analyst at Daiwa Research Institute calls it a "budget lacking in any philosophy." The general account budget totals a record high of 88.5 trillion yen. The bill includes 1 trillion yen as reserves to cope with a further deterioration of the nation's economy and 1 trillion yen more in grants to local governments. The budget, however, does not specify for which purposes these allocations will be used and just notes that the funds are "prepared for economic emergencies".

In a press conference after the fiscal 2009 budget bill was adopted in the cabinet meeting, Prime Minister Taro Aso emphasized: "The budget is designed to protect the people's livelihoods from the most serious economic crisis of the century through drastic (fiscal disbursements) over the short run and fiscal reconstruction by bold tax reform over the medium run." Aso flatly stated: "Japan will emerge from the recession earlier than any other countries," but many of the economic stimulus measures in the bill, though their scale is large, seem to be just reflecting the wish lists of the ruling camp and government agencies. Now that uncertainty is looming large over the job market, these measures apparently are not powerful enough to buoy up the Japanese economy.

The stock market remained unresponsive to the adoption of the budget bill yesterday. Stock prices plunged sharply on growing concerns about a further worsening of the Japanese economy.

As fiscal resources for the government's plan to raise its national subsidy rate for basic pension benefits to 50 PERCENT (2.3 trillion yen annually), the government proposed using reserves in special accounts as a stopgap measure, instead of its initial plan to secure enough revenue sources first. The government intends to use reserves in fiscal 2010, as well, but once reserves are tapped, revenue resources will dry up. With this measure, concerns about fiscal resources for pension payments will never be dispelled.

The bill also stopped short of discussing "necessary roads," an important point in considering the issue of freeing up road revenues. The government broke its promise to use road-related

revenues to fund environment-protection, child-bearing assistance, and other measures to protect people's livelihoods.

The social security budget was boosted to a record high of 25 trillion yen in the fiscal 2009 budget bill in response to the nation aging rapidly. Prime Minister Aso reiterated that the government will squeeze out the necessary funds by carrying out drastic tax reform plans, including a consumption tax hike, in the government's mid-term program for fiscal 2011. State Minister in Charge of Financial Services Shoichi Nakagawa, however, said in a press conference yesterday: "We have never considered about what percentage the consumption tax rate should be raised." Views in the government thus have yet to be unified.

(3) Japan to dispatch MSDF vessels probably next spring to off Somalia to protect Japanese ships from piracy; Government to submit new law next March to Diet

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NIKKEI (Page 2) (Full)
December 26, 2008

The government is making arrangements to dispatch as early as next spring Maritime Self-Defense Force escort ships to waters off Somalia for sea patrol to protect Japanese commercial ships from piracy activities. It is planning to issue for the time being an order for maritime police patrol based on the present Self-Defense Forces (SDF) Law. It the plans as the second stage to present to the Diet by next March a new anti-piracy law that would allow the MSDF to continue to provide maritime patrol activities.

Prime Minister Taro Aso will today order Defense Minister Yasukazu Hamada to study specific measures, including the issuance of an ordinance for maritime police patrol. The government is planning to dispatch a fact-finding team, as well.

Aso told reporters on the night of Dec. 25:

"I think the matter is urgent. So we will deal with it under the present law. Since other countries have responded to it in various ways, Japan, too, of course should respond. Japan will hasten to respond by providing patrol activities."

The Defense Ministry can order the MSDF to provide maritime patrol activities to deal with a crisis to which the Japan Coast Guard cannot respond. Since the MSDF vessels are not allowed to protect foreign ships, the government has decided to utilize Article 82 of the SDF Law for the time being. It intends to issue an order probably in January at the earliest. A government official said: "If the MSDF smoothly facilitates its preparations, it will be able to send escort ships in February or March."

Aso, however, pointed out: "I wonder if it is acceptable that Japan says it protects its own ships alone." The new anti-piracy law would stipulate crackdown on piracy activities and punishments for pirates. The government intends to come up with an anti-piracy bill by early February and it aims to submit the bill to the Diet in March after gaining consent from the ruling parties.

(4) Editorial: Why is MSDF dispatch delayed?

NIKKEI (Page 2) (Full)
December 24, 2008

The government has not yet decided to send Maritime Self-Defense Force vessels to waters off the coast of Somalia against pirates. It was Oct. 17 when Prime Minister Taro Aso showed his willingness in a Diet reply to a question asked by Akihisa Nagashima, a House of Representatives member of the leading opposition Democratic Party of Japan (Minshuto). While Japan was continuing its study, China announced its plan to send naval vessels there.

There are three conceivable options for Japan to send MSDF vessels to waters off Somalia. One of the three options is to issue an order to the MSDF for maritime security operations. The second option is

to create a law for special measures, and the third one is to establish a general or permanent law stipulating the Self-Defense Forces' international cooperation.

The most desirable option is to enact a general law after changing the government's constitutional interpretation of collective

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self-defense. However, consensus building is difficult at this point. The government is said to be considering special legislation, which is easier than general legislation to build a consensus between the ruling and opposition parties. In point of fact, however, such a special measures law cannot be expected to be enacted.

The government can issue an order for maritime security operations if it decides to do so. In this case, however, there are problems to clear. Mobilizing the MSDF for maritime security operations is premised on using Japan's right to defend itself. Accordingly, the MSDF is allowed to defend Japanese ships. However, the question is what to do if and when the MSDF happens to be near a foreign ship that is under attack from pirates. This case needs to be cleared up.

If that is ambiguous, everything will then have to be left to the commanding officer's judgment. This is too heavy a burden. Politics should therefore set guidelines for what to do or the rules of engagement (ROE), under which the MSDF will normally be readied.

Two months has passed since the prime minister made the reply in the Diet. If the government has yet to finish its study, that is too late. It is also one idea to issue an order for maritime security operations for the time being and do the minimum possible. This will at least be a stronger deterrent on pirates.

China's naval deployment to waters off the Somalia coast is said to be historic. The International Herald Tribune reported on this deployment, with its subheading saying China will send naval forces there for the first time in modern times. It is also true that Japan and the United States have been nervous about China's naval power projection, regarding it as an obstacle to U.S. naval operations.

Even if the Japanese government decides today to dispatch MSDF vessels, it will take more than two weeks to ready them to set out. It will probably take another three weeks to arrive there off Somalia from Japan. During that time, Japanese ships may be attacked by pirates and may be protected by Chinese naval vessels.

That can be taken for granted because the international community is acting in concert to contain pirates. At the same time, it will also draw mixed reactions because Japan has been wary of China and Japanese ships will be protected by Chinese naval vessels.

(5) Aso family company used 300 POWs at coal mine

TOKYO SHIMBUN (Page 22) (Full)
December 20, 2008

Aso Mining, a now-defunct company that was based in Fukuoka Prefecture and managed by the family of Prime Minister Aso, used 300 foreign prisoners at its coal mine during World War II. An official document describing this fact has been discovered at the Health, Labor and Welfare Ministry. Two years ago, overseas news media reported it. The Foreign Ministry rebutted the news report, saying that it had not information about such. However, its loose response will likely be called into question.

The official document was disclosed at the request of Yukihiro Fujita, a House of Councillors member of the leading opposition Democratic Party of Japan (Minshuto). According to the disclosed

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document, there were 197 persons from Australia, 101 from Britain, and 2 from the Netherlands at a POW camp-which was set up at the

Yoshikuma coal mine in the Fukuoka prefectural town of Keisen-from May 10, 1945 through Aug. 15, when the war ended. Among them, two Australians died.

The ministry also disclosed a letter that Aso Mining sent to Army Minister Hajime Sugiyama on Feb. 22 that year, asking for his approval to use the POWs for a period of one year and work them for 12 hours in two shifts.

The official document was once in the possession of the Imperial Japanese Army's Prisoners Intelligence Bureau. But the government later reorganized its organizations. In 1957, the health and welfare ministry at the time took over the bureau's archives.

In November 2006, the International Herald Tribune reported on the forced labor of those foreign nationals. In this regard, the paper ran a dispatch from Fukuoka, saying a group of Chinese nationals who were engaged in forced labor during the war demanded compensation from the Japanese government and other organizations. The IHI article described that Aso Mining used forced labor from Asian and West European countries.

The IHT report was a New York Times dispatch. At the time, the Foreign Ministry, directed by Aso, who was the then foreign minister, rebutted the article on the website of the Japanese consulate general in New York. The Foreign Ministry denied that Aso Mining forced foreign prisoners to work at its colliery, saying it is unreasonable to make such a judgment without evidence.

Since the official documents were brought to light, the consulate general deleted the rebuttal from the website this month. However, the Foreign Ministry's countercharge two years early revealed how slipshod it had been.

Fujita pursued this issue before the House of Councillors Foreign Affairs and Defense Committee in its Dec. 18 meeting. The Foreign Ministry made an excuse, saying: "We checked at the time, but no information was available." However, the Health, Welfare and Labor Ministry commented on its disclosure of the official document, "We have not looked into this matter because there was nothing on the agenda about it." In other words, the Foreign Ministry made the rebuttal at that time without even checking with the Health, Welfare and Labor Ministry.

Moreover, among the official documents, the records of prisoners were disclosed at a library of special documents. It is clear at least from this document that Aso Mining used prisoners. Furthermore, some segments of the media located and interviewed a former prisoner. The two dead prisoners have already been identified.

"I wonder if the Foreign Ministry knowingly ignored this matter or did not look into this matter at all," says Aiko Utsumi, a visiting professor at the graduate school of Waseda University. "At any rate," she says, "they were irresponsible." She indicated that she was appalled at the Foreign Ministry.

Japan accepted the Potsdam Declaration, which also covered prisoners of war during World War II. In addition, Japan also joined the Geneva Convention, which stipulated how POW issues should be

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handled. Nevertheless, the Health, Welfare and Labor Ministry has done nothing about its archives regarding POWs for over sixty postwar years. The Foreign Ministry has not looked at all into this issue, either.

Fujita said: "The question is how to handle the POW issue. This is an important diplomatic issue in gaining the international community's trust. But no efforts were made. I will continue to pursue this issue."

(6) TOP HEADLINES

Asahi, Mainichi, Yomiuri & Sankei:
Three non-life insurers -- Mitsui Sumitomo, Aioi, and Nissei Dowa --

mull merger

Nikkei:

Nissan, NEC to advance schedule for large-scale production of lithium ion batteries

Tokyo Shimbun:

Law-evading donations by two political organizations formed by former Nishimatsu Construction Co. senior

Akahata:

JCP's Koike: Employment measures should be pushed forward by those with political responsibility

(7) EDITORIALS

Asahi:

- (1) Air strikes on Gaza: Israel must first stop attacks
- (2) Rapid increase in jobless workers: Find ways to respond to heartfelt voices

Mainichi:

- (1) Air assaults on Gaza: Prevent bloodshed from spreading by mediation of other countries

Yomiuri:

- (1) Government must push for better caregiver's pay
- (2) Concern about deterioration in technology

Nikkei:

- (1) Urgent need of diplomacy preventing violence in Middle East
- (2) Expectations of linear-motor Shinkansen and issues to be resolved

Sankei:

- (1) Strikes on Gaza: First put end to worsening situation
- (2) New Hamaoka nuclear power plant: Make anti-earthquake measures doubly sure

Tokyo Shimbun:

- (1) Air strikes on Gaza: Avoid a full-scale war
- (2) Suspension of WTO talks: Nip protectionism in the bud

Akahata:

- (1) Cut drastically military spending for FY2009

ZUMWALT